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GOVERNMENT OF PUNJAB

DEPARTMENT OF MINES AND GEOLOGY

NOTIFICATION

The 10th September, 2025

No.G.S.R.158/C.A.67/1957/S.15/2025.- In exercise of the powers conferred by clause (g) of sub-section (1A) of section 15 of the Mines and Minerals (Development and Regulation) Act, 1957 (Central Act No. 67 of 1957), and all other powers enabling him in this behalf, the Governor of Punjab is pleased to make the following rules, namely:-

RULES

1. **Short title, extent and commencement.**- (1) These rules may be called the Punjab State Mineral Exploration Trust Rules, 2025.

(2) They shall extend to whole of the State of Punjab and shall apply to all minor minerals.

(3) They shall come into force on and with effect from the date of their publication in the Official Gazette.

2. **Definitions.**- (1) In these rules, unless the context otherwise requires,-

(a) "Act" means the Mines and Minerals (Development and Regulation) Act, 1957 (Central Act No. 67 of 1957);

(b) "Chairperson, Executive Committee" means the Chairperson of the Executive Committee of the Punjab State Mineral Exploration Trust;

(c) "Chairperson, Governing Body" means the Chairperson of the Governing Body of the Punjab State Mineral Exploration Trust;

(d) "Department" means the Department of Mines and Geology, Punjab;

(e) "Executive Committee" means the Executive Committee of the Trust;

(f) "Fund" means the Fund referred to in rule7;

(g) "Government" means the Government of Punjab;

(h) "Governing Body" means the Governing Body of the Trust;

(i) "Member, Executive Committee" means the member of the Executive Committee of the Trust;

(j) "Member, Governing Body" means the member of the Governing Body of the Trust;

(k) "Obvious geological potential areas" means the mineral potential areas identified by the Geological Survey of India, from time to time; and

(l) "Trust" means the Punjab State Mineral Exploration Trust established under Rule 3.

(2) Words and expressions used and not defined in these rules but defined in the Act shall have the same meaning, as assigned to them in the Act.

3. **Establishment of Trust.**- There shall be a Trust at the State level to be known as the Punjab State Mineral Exploration Trust. The object of the Trust shall be the planned development of the mineral resources and their exploration in the State.

4. **Governing Body.**- (1) The Governing Body of the Trust shall consist of the following, namely:-

(i)	Minister-in-charge of the Mines and Geology, Government of Punjab	Chairperson
(ii)	Administrative Secretary, Revenue, Government of Punjab	Member
(iii)	Administrative Secretary, Environment, Government of Punjab	Member
(iv)	Administrative Secretary, Forests, Government of Punjab	Member
(v)	Administrative Secretary, Finance, Government of Punjab	Member
(vi)	Administrative Secretary, Mines and Geology, Government of Punjab	Member
(vii)	Deputy Director General (Punjab Unit), Geological Survey of India	Member
(viii)	Nominee of Mineral Exploration Corporation Limited	Member
(ix)	Director, Mines and Geology, Punjab	Member-Secretary
(x)	Chief Engineer, Mines and Geology, Punjab	Member

(2) The Chairperson of the Governing Body may invite any person having special knowledge in the field of Mineral Exploration to its meetings. Such invitee shall have no voting right in the meeting but shall be entitled to receive such sitting fee and other allowances as may be decided by the Government, from time to time.

5. **Executive Committee.**- (1) The Executive Committee of the Trust shall consist of the following, namely:-

(i)	Administrative Secretary, Mines and Geology, Government of Punjab	Chairperson
(ii)	Deputy Director General (Punjab Unit), Geological Survey of India or his nominee	Member
(iii)	Principal Chief Conservator of Forests, Government of Punjab	Member
(iv)	Director, Mines and Geology, Punjab	Member
(v)	Chief Engineer, Mines and Geology, Punjab	Member Secretary

(2) The Chairperson of the Executive Committee may invite any person having special knowledge in the field of Mineral Exploration to its meetings. Such invitees shall have no voting right in the meeting but they shall be entitled to receive such sitting fee and other allowances as may be decided by the Government, from time to time.

6. **Functions of the Governing Body and Executive Committee.**- (1) The Governing Body shall lay down the broad policy framework for the functioning of the Trust and review its working.

(2) The Governing Body shall approve the annual plan and annual budget of the Trust on the recommendations of the Executive Committee and it shall meet at least once in a year.

(3) The Executive Committee shall manage, administer and supervise the Trust, and shall also monitor and review the expenditure of the Trust fund at regular intervals.

(4) The Executive Committee shall, while discharging its functions, follow the policy framework and the directions of the Governing Body, from time to time.

7. **Constitution of a Fund under the Trust.**- (1) The State Government shall, by order, set up a Fund under the Trust to be called as the "Punjab State Mineral Exploration Trust Fund" to be managed by the Executive Committee of the Trust.

(2) The Trust Fund shall receive amount to be paid in accordance with the provisions of rule 8 and may also receive contribution or aid from such sources, as may be approved by the Executive Committee.

(3) The Fund shall be utilized for the objectives and functions as specified in rule 10.

8. **Contribution to Trust Fund.**- (1) The Trust shall have power to open and operate personal deposit account or bank accounts in its own name at any Scheduled Bank as specified in the Second Schedule to the Reserve Bank of India Act, 1934 (Central Act No. 2 of 1934).

(2) The Trust shall communicate the particulars of its personal deposit account or bank account to the Director, Mines and Geology, Government of Punjab for the purposes of receipts and payments.

(3) The mining lease holders, quarry licensee and permit holders of minor minerals shall pay contribution to the Trust fund in respect of any mineral removed by him from and or consumed within the area allotted or permitted to him, a sum equivalent to two percent of the royalty for first five years and thereafter a sum equivalent to one percent of the royalty paid in terms of the Schedule A of the Punjab Minor Mineral Rules, 2013 as amended from time to time.

(4) The payment towards fund under sub-rule (3) shall be collected in advance along with royalty under a separate sub-head through e-payment and deposited in the account of the trust. If any difference accrues at the time of assessment of royalty, the same shall be deposited in the account of trust immediately.

(5) The fund may be recovered through the contractor or mine holder in additional to royalty collection; wherever royalty is collected trust fund would be payable over and above the royalty. The monthly installment of the contribution of trust fund shall be directly deposited in the account of trust fund.

(6) Further, Funds can be given to SMET from Central or State Government Budget also.

(7) The District Mining Officer concerned shall be responsible for collection of amount under sub-rule (3), (4) and (5). The District Mining Officer concerned shall maintain books of accounts and deposit of funds in the Trust account.

(8) The Director, Mines and Geology shall maintain an updated record of the amount transferred to the personal deposit account or bank account of the Trust along with a database of royalty so collected and provide such information to the Trust on a monthly basis.

9. **Office and Bank Account.**- (1) The office of the Trust shall be situated at Chandigarh or at such other place as may be determined by the Executive Committee.

(2) The Bank Account of Trust shall be opened and operated through the Director, Mines and Geology and Financial Advisor of the department or any other officer authorized by the Executive Committee.

10. **Objectives and functions of the Trust.**- The objectives and functions of the Trust shall be as under:-

(i) to prepare vision and mission plans of short term, mid-term and long term for

the planned development of mineral resources and their exploration in the State;

(ii) to prepare master plan of exploration and undertake regional and detailed exploration and assaying of mineral resources;

(iii) to fund exploration in forest areas after obtaining permission under the Forest (Conservation) Act, 1980;

(iv) to facilitate geophysical, ground and aerial survey and geo chemical survey of the obvious geological potential areas;

(v) to undertake study and advocacy of mineral development, sustainable mining, adoption of advanced scientific and technological practices and mineral extraction metallurgy;

(vi) to organize capacity building programs for raising technical capability of department personnel engaged in the Trust;

(vii) to undertake research and development in the field of mineral analysis and testing of ores, identification of associated impurities of rocks and mineral samples submitted by the Department, public sector undertakings, private sector mineral industries, research institutions, laboratories etc. so as to assess quality of ores, minerals by chemical, physical testing and instrumental analysis on no profit no loss basis;

(viii) to initiate action to set up a lab and provide impetus to research and development and to provide certificate on the basis of testing and analysis to exporters of mineral based products after obtaining accreditation from National Accreditation Board for Testing and Calibration Laboratories (NABL);

(ix) to appoint officers, geologist or scientists, technical persons, financial consultants, management consultants and other employees as are necessary for carrying out the functions of the Trust on deputation or contractual basis;

(x) to develop State Mineral Directory, State Mineral Atlas or Geo-Informatics Mineral Resource Information System for the State and putting up geological and other geo scientific data in digital formats in public domain;

(xi) to facilitate the Government to introduce innovation and adoption of new technology and to provide technical or consultancy services;

(xii) to assess the needs, design courses for generating qualified persons, skill development and identification of institutions for skill development;

(xiii) to undertake mineral beneficiation and value addition studies on low grade minerals;

(xiv) to provide logistic support for exploration projects i.e. Global Positioning System, Global Navigation Satellite System, vehicle tracking etc.;

(xv) to establish business development center for facilitating and promoting investors of mineral based industries;

(xvi) to monitor mining and related activities through modern technologies such as drone, survey etc. in the State; and

(xvii) such other purposes that the Governing Body may decide for the development and exploration of mineral resources in the State.

11. **Management of the Trust.**- (1) The overall control, periodical reviews and policy direction of the Trust shall vest with the Governing Body.

(2) The Executive Committee shall manage, administer and supervise the day to day activities of the Trust.

(3) The Executive Committee shall formulate and finalize the scheme for delegation of financial powers.

12. **Committees.**- (1) The Executive Committee may constitute committees or sub-committees to fulfill the objectives of the Trust or such other tasks that may be assigned or delegated to it by the Governing Body.

(2) The committee or sub-committee so constituted under sub-rule (1) shall discharge the duties and responsibilities under these rules and in exercise of such powers and functions as may be specified by the Executive Committee.

13. **Implementation of identified projects by the Executive Committee.**-(1) The Executive Committee shall implement the identified projects consistent with the objectives of the Trust as approved by the Governing Body.

(2) In implementation of the projects referred to in sub-rule (1), the Executive Committee shall devise its own procedure consistent with the Act and Rules made there under.

14. **Monitoring of exploration projects.**- (1) The Trust shall monitor the implementation of the projects either by itself or by engaging any entity.

(2) For the purposes of sub-rule (1), the Trust may devise its own procedure consistent with the Act and rules made there under.

15. **Meetings of the Governing Body.**- (1) The Governing Body shall meet at least once in a year.

(2) The meetings of the Governing Body shall be presided by the Chairperson, Governing Body.

(3) All decisions or resolutions of the Governing Body shall be made or adopted by consensus.

(4) In case of any disagreement or dissent, the ruling of the Chairperson, Governing Body shall be final.

(5) The meetings of the Governing Body maybe either physical or virtual or by circulation or by combination of both: Provided that the meeting by circulation shall not apply for adoption of accounts of the Trust, for approval of Annual Plan, Annual Budget and Annual Report of the Trust.

16. **Meetings of the Executive Committee.**-(1) The Executive Committee shall meet at least once in every three months.

(2) The meetings of the Executive Committee shall be presided by the Chairperson, Executive Committee.

(3) The meetings of the Executive Committee may be either physical or virtual or by circulation or by combination of both:

Provided that the meeting by circulation shall not apply for adoption of accounts of the Trust, recommendation to Governing Body for approval of Annual Plan, Annual Budget and Annual Report of the Trust.

17. **Notice and agenda for meeting of Governing Body and Executive Committee.**- (1) The Chairperson or Member Secretary of the Governing Body with consent of the Chairperson, Governing Body shall convene meeting of the Governing Body by giving a minimum fifteen days notice to all members:
Provided that the Chairperson, Governing Body may authorize to convene a meeting with a shorter notice period.

(2) The Chairperson or Member Secretary of the Executive Committee with consent of the Chairperson shall convene meeting of the Executive Committee by giving a minimum seven days notice to all members: Provided that Chairperson of the Executive Committee may authorize to convene a meeting with a shorter notice period.

(3) Notice for any meeting may include an agenda for the meeting, draft minutes of the earlier meeting and action taken report on the minutes of the earlier meeting.

18. **Quorum for meeting.**- (1) The quorum for any meeting of the Governing Body shall be four.

(2) The quorum for any meeting of the Executive Committee shall be four.

19. **Powers, Duties and Responsibilities of Member Secretary of Executive Committee.**- (1) The Member Secretary of the Executive Committee shall, -

(i) administer and manage the Trust subject to the superintendence, control and direction of the Executive Committee; and

(ii) exercise such administrative and financial powers as may be delegated by the Executive Committee or as may be assigned by the Chairperson, Executive Committee.

(2) The Member Secretary of the Executive Committee shall have the following duties and responsibilities, without prejudice to the generality of sub-rule (1), namely:-

(i) to cause the preparation of the Annual Plan and related Annual Budget and submit them to the Executive Committee for consideration and recommendation to the Governing Body;

(ii) to ensure due diligence has been exercised before considering proposals or projects to be undertaken by the Trust in accordance with the best practices, procedure, rules or directions of the Executive Committee;

(iii) to ensure that the activities of the Trust are being conducted in accordance with the Annual Plan and related Annual Budget; and

(iv) to submit to the Governing Body the annual approved plan and related

annual budget for each financial year to the Government, by the end of January of previous financial year.

20. **Annual Plan.**- (1) The Member Secretary of the Executive Committee shall, before the beginning of each financial year, initiate process of preparation of plans for short term and long term projects proposed to be undertaken by the Trust in the ensuing financial year, to be referred as the Annual Plan, including details of activities to be undertaken or to be completed during such time and expected time for completion of the projects and cost for such project.

(2) The Annual plan shall contain all projects, programs; activities proposed to be undertaken by the Trust for achieving its objectives and shall have clearly demarcated milestones.

21. **Annual Budget.**- The Member Secretary of the Executive Committee shall, before the beginning of each financial year, initiate process of preparation of an Annual Budget in advance containing the details of the proposed income and expenditure on activities covered in the annual plan for ensuing financial year, including the legal, administrative and other costs, and expenditure proposed to be incurred by the Trust together with details of the funding requirements in this regard, to be referred as the annual budget which shall be got approved from the Executive Committee for onward approval of the Governing Body well in advance.

22. **Approval of the Annual Plan and the Annual Budget.**- (1) The Annual Plan and the Annual Budget shall be laid before the Governing Body for its approval thirty days before the commencement of each financial year

(2) The Member Secretary of the Executive Committee shall, on receipt of the copies of the duly approved Annual Plan and the related Annual Budget from the Member Secretary of the Governing Body, submit the same to the Government within a period of thirty days from the date of receipt of approval of the Governing Body.

(3) Without prejudice to the provisions of sub-rule (2), the Trust may undertake expenditure for activities that are not approved in the annual plan subject to specific approval by the Chairperson, Governing Body, which shall be laid before the Governing Body in the next annual budget.

(4) The Annual Plan and related Annual Budget may be amended at any time subject to the approval of the Chairperson, Governing Body, which shall be laid before the Governing Body in the next year plan or budget.

23. **Annual Report.**- (1) The Member Secretary of the Executive Committee shall, within ninety days of the end of each financial year, submit an annual report containing such information as deemed appropriate by the Executive Committee.

(2) The annual report shall be approved by the Executive Committee and shall contain details, *inter alia*, of the activities completed by the Trust during the financial year and the expenditure incurred by the Trust during such financial year.

(3) A copy of the annual report shall be sent to the Government within a period of thirty days from the date of its approval by the Executive Committee after approval of the Governing Body.

24. **Financial year.**- (1) The accounting or financial year of the Trust shall be from the 1st of April to the 31st of March.

(2) The first year of operations of the Trust may be a partial year.

25. **Maintenance and Audit of Accounts.**- (1) The accounts of the Trust shall be maintained in such form, mode and manner, as may be decided by the Executive Committee.

(2) The accounts of the Trust Fund shall be audited in such manner, as may be decided by the Executive Committee.

(3) After the audit referred to in sub-rule (2), the Trust shall submit the Annual Report to the Governing Body.

Sd/-
JASPREET TALWAR, IAS,
Additional Chief Secretary to Government of Punjab,
Department of Mines and Geology.

3497/9-2025/Pb. Govt. Press, S.A.S. Nagar

PART-III

GOVERNMENT OF PUNJAB

DEPARTMENT OF MINES AND GEOLOGY
(PROJECT BRANCH)

NOTIFICATION

The 10th September, 2025

No.G.S.R.159/C.A.67/1957/Ss.15and23C/Amd.(10)/2025.- In exercise of the powers conferred by section 15 read with section 23C of the Mines and Minerals (Development and Regulation) Act, 1957 (Central Act No. 67 of 1957), and all other powers enabling him in this behalf, the Governor of Punjab is pleased to make the following rules, further to amend the Punjab Minor Mineral Rules, 2013, namely:-

RULES

1. (1) These rules may be called the Punjab Minor Mineral (First Amendment) Rules, 2025.

(2) They shall come into force on and with effect from the date of their publication in the Official Gazette.

2. In the Punjab Minor Minerals Rules, 2013(herein after referred to as the said rules), in rule 2,-

(i) after clause (k), the following clause shall be inserted, namely:-
"(ka) **'Confirmation Order'** means an official document issued by the Presiding Officer to the Successful Bidder, enabling him to proceed with subsequent steps such as obtaining necessary statutory clearances and initiating activities related to the grant of the mineral concession for Mineral Mining Sites;" and

(ii) after clause (qab), the following clause shall be inserted, namely:-
"(qac) **'Earnest Money/Bid Security'** means an amount for participation in the bidding process for any mining area or site or unit."

(iii) after clause (zkb), the following clause shall be inserted, namely:-
"(zkba) '**Security Deposit/Performance Guarantee**' means the security deposit in the form of Demand Draft or Bank Guarantee to be received from the successful bidder which shall be valid throughout the mineral concession period."

(iv) after clause (zq), the following clause shall be inserted, namely:-
"(zqa) **'Upfront payment'** means the H1 bid amount i.e the highest price offer, for obtaining the mineral site and shall not include royalty, Environment Management Fund, District Mineral Foundation fund, taxes etc."

3. In the said rules, for rule 34, the following rule shall be substituted, namely: -

"**34. Grant of Mineral concession.**- (1) Mineral concession may be granted by the Government through auction for a maximum period of five years.

(2) No mineral concession shall be renewed or extended beyond the maximum period of five years.

(3) The mineral concession shall be granted for the quantity of the mineral to be excavated as may be specified in themineral concession agreement annexed with auction document or tender document.

(4) The Government may, at any time, notify the pit-head price at the mining site from where material is excavated. In such cases, the concessionaire shall sell the material solely at the notified pit-head price. The Government may revise the royalty for any mineral and consequently and proportionally revise the pit-head price for any mining site, even if the site has already been allotted. The concessionaire shall be liable to pay the revised royalty.

(5) Mining sites which have already been auctioned or allocated to the concessionaires till December, 2024 and are currently operational shall be governed by rules which were applicable prior to December, 2024, except rates of Royalty and any other cess or fund revised or imposed by the Government from time to time"

4. In the said rules, for rules 36, 37, 38, 39 and 40 the following rules shall be substituted, namely:-

"**36. Notice of Auction.**- (1) The auction shall be notified,-

(i) on the notice boards of the Director and District Mining Officers;

(ii) in at least two widely circulated newspapers (one in Punjabi) covering the area where the mine is situated; and

(iii) on a website specified by the Director.

(2) A copy of the auction notice shall also be sent to the Deputy Commissioner having jurisdiction over the mining area to ensure wide publicity.

(3) The notice shall include,-

(a) a brief description of the place, time, and method of auction (including e-auction, if applicable); and

(b) details of the mines or quarries, concession period, reserve price, bid security, and principal terms and conditions.

(4) The detailed description, terms and conditions of the auction and the intended concessions shall be available in the offices of the Director and the District Mining Officer concerned and on the website specified by the Director.

(5) The Director or an officer authorized by the government may formulate, amend, and enforce the auction terms, which shall be binding on all participants. Breach of any such terms and conditions shall invite action under the relevant Act, rules, and as per the auction document or tender document.

37. Procedure of Auction.– (1)Mining rights of sand and gravel in a mine site shall be allotted through e-tender by a 2-Bid system involving Technical Bid and Financial Bid.

(2) The bid parameter shall be as may be specified in the auction document or tender document.

(3) The intending bidders shall deposit such 'Earnest money or Bid security', in such manner, as may be specified in the auction document or tender document.

(4) On completion of the bidding process, the successful bidder shall deposit the 'Security Deposit' as may be specified in the auction document or tender document.

(5) A 'Confirmation Order' shall be issued by the Department to the Successful Bidder if the security deposit is deposited by the successful bidder within the time as may be specified in the auction document or tender document.

(6) Misbehavior or violation of rules or procedures as may be defined in the auction document or tender document, by any bidder during auction shall make him liable for forfeiture of his bid security, removal from the place of auction and being debarred him for a period of up to five years from any future auction under these rules.

38. Contract money.- (1) The Successful Bidder shall make an "Upfront Payment" as may be specified in the auction document or tender document, after issuance of the Confirmation Order.

(2) The upfront payment shall not be refundable under any circumstances.

(3) Upon commencement of the contract term, the concessionaire shall be liable to pay all such payments as may be specified in the auction document or tender document, or as notified by the Government from time to time.

(4) The concessionaire shall pay annually to the State Government, for all areas covered by the mineral concession, the dead rent at the rate specified in the Schedule.

(5) If in any year, the concessionaire becomes liable to pay royalty as specified in the auction document or tender document and/or mineral concession agreement for any mineral extracted, the concessionaire shall pay either the royalty or the dead rent, whichever is greater.

38-A. Landowner Compensation.-

The concessionaire shall pay the land owner compensation to the Central Government or State Government or Panchayat or Private landowners at the rate of Rs. 50 per tonne of the mineral excavated, as the case may be. In case of violation, the concession shall be cancelled as per rules and the concessionaire shall be blacklisted for a period of five years."

39. Surrender of Concession.- The Government may accept the concessionaire's request for surrender of a mineral concession subject to the conditions as may be specified in the auction document or tender document.

40. Grant of mineral concession.-(1) It shall be the responsibility of the concessionaire to make the site operational by obtaining all requisite statutory clearances, including but not limited to Land owner consents, Environmental Clearance, and Consent to Operate (CTO) from competent authorities within the time as may be specified in the auction document or tender document.

(2) The Director, Department of Mines and Geology, Punjab, may grant extensions for obtaining required clearances. The timelines and procedures for the grant of such extensions shall be as specified in the auction document or tender document.

(3) The date of start of the mineral concession shall be as specified in the auction document or tender document. Thereafter, term of the concession shall be as specified in the mineral concession agreement.

(4) Upon fulfillment of all conditions, the Director or any other officer authorized by him shall grant a mineral concession to the Successful Bidder. The mineral concession agreement shall be executed in a time frame and according to the conditions specified in the auction document or tender document.

(5) The mineral concession shall be granted as specified in the agreement annexed with auction document or tender document."

5. In the said rules, for rule 43, the following rule shall be substituted, namely:-

"**43. Delegation.**-The Government may, by notification in the Official Gazette, direct that any powers exercisable by the Director or any specified officer under these rules may also be exercised, in such cases and subject to such conditions, if any, as may be specified in the notification, by any officer of the Government, as may be specified therein."

6. In the said rules, in the Schedule, for heading, "**B. Rate of Dead Rent**", the following shall be substituted, namely: -

"**B. Rate of Dead Rent**

[See rules 24(1)(iv) and 38(4)]

1. All minor minerals under the provisions of rule 24(1)(iv)……Rs. 2000 per hectare per annum.
2. All minor minerals under the provisions of rule 38(4)…… 60% of annual concession value."

Sd/-
JASPREET TALWAR, IAS
Additional Chief Secretary to Government of Punjab,
Department of Mines and Geology.

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